

Message Text

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ACTION EUR-12

INFO OCT-01 ARA-06 ISO-00 SWF-01 AID-05 CEA-01 CIAE-00

COME-00 EB-07 FRB-01 INR-05 NSAE-00 RSC-01 CIEP-01

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AMEMBASSY BUENOS AIRES

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E.O. 11652: N/A

TAGS: ETRD, EAGR, EEC, LA

SUBJECT: EC/LATIN AMERICA: RECENT EVENTS

REF: A) EC BRUSSELS 8129

B) EC A-381, DEC. 3, 1971

1. SUMMARY: THIS MESSAGE HIGHLIGHTS RECENT DEVELOPMENTS IN RELATIONS BETWEEN THE EUROPEAN COMMUNITY AND LATIN AMERICA. THE EC COMMISSION HAS RECOMMENDED THAT THE EC COUNCIL EXTEND THE EXISTING TRADE AGREEMENT WITH ARGENTINA FOR AN ADDITIONAL YEAR WHILE EXPLORATORY TALKS ARE OPENED TO BROADEN THE AGREEMENT. THE SECOND SESSION OF THE FIFTH MEETING BETWEEN AMBASSADORS OF THE NINE AND OF LATIN AMERICAN COUNTRIES WHO ARE MEMBERS OF CECLA (SPECIAL LATIN AMERICAN COORDINATION COMMISSION) WAS HELD IN BRUSSELS DECEMBER 6. END SUMMARY.

2. ARGENTINA

THE EXISTING TRADE AGREEMENT BETWEEN THE EC AND ARGENTINA EXPIRES ON DECEMBER 31. IN APRIL ARGENTINA LIMITED OFFICIAL USE

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REQUESTED THAT THE AGREEMENT BE RENEGOTIATED TO

PROVIDE FOR A BROADER ARRANGEMENT BETWEEN THE TWO PARTIES. THE ARGENTINES REQUESTED THAT THE NEW AGREEMENT INCLUDE AN ADDITIONAL PROTOCOL PROVIDING FOR A LONG TERM BEEF AND VEAL ARRANGEMENT AS WELL AS NEW CLAUSES RELATING TO COOPERATION IN TRADE, AGRICULTURE, INDUSTRY, TECHNOLOGY AND FINANCE. THE COMMISSION HAS AGREED THAT EXPLORATORY TALKS BE HELD, BUT IT WANTS TO EXCLUDE THE ISSUE OF BEEF AND VEAL FROM THE PURELY BILATERAL TALKS. BEEF AND VEAL RESTRICTIONS IMPOSED BY THE EC HAVE BEEN THE SUBJECT OF MULTIPLE APPROACHES BY A NUMBER OF LATIN AMERICAN AND OTHER COUNTRIES AND THE EC WISHES TO DEAL WITH THE MATTER SEPARATELY.

3. A WELL PLACED COMMISSION SOURCE HAS TOLD US THAT THE PROPOSED EXPLORATORY TALKS WITH ARGENTINA WILL AIM AT A BROADER, THOUGH NON-PREFERENTIAL, AGREEMENT ALONG THE LINES OF THAT PROPOSED FOR MEXICO (REFTEL). HE INDICATED THAT A FIRST PHASE OF EXPLORATORY TALKS MIGHT OCCUR BEFORE CHRISTMAS, THEN CONTINUE IN JANUARY. ON THE BASIS OF THESE DISCUSSIONS THE COMMISSION COULD THEN PRESENT ITS PROPOSALS FOR A NEGOTIATING MANDATE TO THE EC COUNCIL FOR APPROVAL. FORMAL NEGOTIATIONS WOULD THEN ENSUE. IN THE MEANTIME THE COMMISSION HAS RECOMMENDED THAT THE COUNCIL EXTEND THE CURRENT AGREEMENT FOR AN ADDITIONAL YEAR TO COVER THE PERIOD OF THE PROPOSED NEGOTIATIONS. TEXT OF THE COMMISSION RECOMMENDATION POUCHED TO EUR/RPE, MR. AUBERT.

4. LATIN AMERICAN AMBASSADORS: ON DEC. 6 AMBASSADORS ACCREDITED TO THE EC FROM MEMBER COUNTRIES OF THE SPECIAL LATIN AMERICAN COORDINATING COMMISSION (CECLA) HELD THE LATEST IN A SERIES OF MEETINGS WITH THE EUROPEAN COMMUNITY COMMISSION AND MEMBER STATES AS PART OF THE PROCEDURE LAID DOWN IN THE EC/CECLA JOINT DECLARATION OF JUNE 1971. THE PREVIOUS SESSION HAD BEEN HELD IN JULY.

5. AN EC COMMISSION OFFICIAL WHO PARTICIPATED IN THE DISCUSSIONS DESCRIBED THEM AS GENERAL REVIEW LIMITED OFFICIAL USE

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OF THE STATE OF EC/LA RELATIONS. THE CECLA PARTICIPANTS REPORTEDLY MADE THREE PRESENTATIONS--ONE VERY GENERAL ADDRESS ON THE VALUE OF INCREASED EC/LA COOPERATION, ONE AIMED AT THE BEEF PROBLEM, AND A THIRD FOCUSING ON SPECIFIC TRADE PROMOTION ACTIVITIES. THE AMBASSADORS TOOK THE OPPORTUNITY TO EXPRESS THEIR CONCERNS REGARDING THE EFFECTIVENESS OF THE UN EMERGENCY OPERATION, DISTRIBUTION OF FOOD AID, PROTECTIONIST TENDENCIES IN INTER-

NATIONAL TRADE AND THE PROSPECTS FOR THE MTN. FOR ITS PART THE COMMUNITY DELEGATION NOTED RECENT EC ACTIVITY IN DEVELOPMENT COOPERATION, THE "FURTHER SUBSTANTIAL IMPROVEMENTS WHICH THE COMMUNITY HAS MADE TO ITS GENERALIZED PREFERENCES SCHEME FOR 1975" TO INCLUDE THE PRINCIPLE OF CUMULATIVE ORIGIN FOR LDCS WHICH ARE MEMBERS OF REGIONAL GROUPS. THE EC ALSO INDICATED ITS INTENTION TO CONTINUE TO AID LATIN AMERICAN REGIONAL INTEGRATION, WITH PARTICULAR REGARD TO THE ANDEAN GROUP AND THE CARIBBEAN COMMON MARKET.

6. ON BEEF WE ARE TOLD THE CECLA PRESENTATION UNDERLINED EARLIER DEMARCHES (SEE PARA 2 ABOVE), IN PARTICULAR THE LACK OF ADVANCE CONSULTATION BEFORE THE EC TOOK ITS EMBARGO ACTION. THEY NOTED THAT THE EMBARGO HAS BEEN IN EFFECT FOR FIVE MONTHS WITH NO INDICATION OF WHEN IT WILL BE LIFTED. AS A RESULT, THEY SAID, LATIN AMERICAN COUNTRIES HAVE LOST ABOUT 100 MILLION DOLLARS IN EXPORTS. EARLY INITIATION OF NEGOTIATIONS WITH A VIEW TO LONG TERM ACCESS TO THE EC FOR BEEF EXPORTS WAS URGED. THE EC REPORTEDLY UNDERTOOK NO FIRM COMMITMENTS ON THE QUESTION OF CONSULTATIONS/NEGOTIATIONS, HOWEVER, SAYING ONLY THAT THE "STATEMENTS BY THE LATIN AMERICAN REPRESENTATIVES WOULD BE GIVEN CLOSE ATTENTION AND DEEP THOUGHT".

7. ON THE SPECIFICS OF TRADE PROMOTION, AGREEMENT WAS REACHED TO ESTABLISH AN IMPROVED INFORMATION SYSTEM ON LATIN AMERICAN EXPORTS AND TO CONTINUE EC TRAINING OF PERSONNEL IN 'COMMON MARKET OPERATIONS' FOR CARICOM AND ANDEAN GROUP ACTIVITIES. THE LATIN AMERICANS ARE ALSO ASKING FOR ASSISTANCE IN ESTABLISHING A TRADE PROMOTION CENTER IN BRUSSELS. THE EC IS HESITANT, AT THIS JUNCTURE, HOWEVER, PREFERRING TO EXPLORE LIMITED OFFICIAL USE

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AVAILABLE MEANS OF EXPORT PROMOTION ASSISTANCE FIRST.

8. TEXT OF THE PRESS RELEASE ON THIS MEETING
POUCHED TO EUR/RPE-MR.AUBERT.GREENWALD

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